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United States Department of Agriculture

(BUREAU OF AGRICULTURAL ECONOMICS)

SERVICE AND REGULATORY ANNOUNCEMENTS

No. 96, Supplement 1

1926

INSTRUCTIONS

OF THE CHIEF OF THE BUREAU OF AGRICULTURAL
ECONOMICS GOVERNING THE

STAMPING, LABELING, AND CERTIFYING OF THE
CLASS, GRADE, QUALITY, AND/OR CONDITION
ON PACKAGES OF BUTTER, CHEESE, AND
EGGS AND PRESCRIBING THE STAND-
ARDS TO BE USED IN INSPECTING
THE QUALITY AND CONDITION
OF THESE PRODUCTS

INSTRUCTIONS OF THE CHIEF OF THE BUREAU OF AGRICULTURAL ECONOMICS GOVERNING THE STAMPING, LABELING, AND CERTIFICATION OF BUTTER, CHEESE, AND EGGS

By virtue of the authority vested in the Chief of the Bureau of Agricultural Economics as contained in paragraph 1 of section 1 of regulation 5 and in section 1 of regulation 6 of service and regulatory announcement No. 96 of the United States Department of Agriculture, I, Thomas Cooper, Chief of the Bureau of Agricultural Economics, do hereby issue the following instructions to be in force and effect on and after April 15, 1926, unless amended or superseded by instructions issued in lieu thereof.

In testimony whereof, I have hereunto set my hand in the City of Washington, D. C., on the 24th day of December, 1925.

(Signed)

THOMAS COOPER,
Chief of Bureau.

Rule 1

SECTION 1. Any authorized inspector of butter, cheese, or eggs, employed directly, jointly with a cooperating agency, or licensed as agent of the United States Department of Agriculture, may stamp or may supervise the work of stamping directly on any package containing butter, cheese, or eggs the class, grade, or quality thereof as determined by himself or by another authorized inspector; and he also may stamp, or he may supervise the work of stamping labels or seals which have been applied or of applying labels or seals previously stamped. Said stamps, labels, or seals shall state the place and date of inspection, the class, grade, or quality of the product, the number of the inspection certificate issued covering the lot, provided that any part or all of these facts may be perforated into the label or seal instead of being stamped or printed thereon.

Rule 2

SECTION. 1. The specialist in charge of the division of dairy and poultry products may, directly or through any authorized inspector of butter, cheese, or eggs employed directly, jointly with a cooperating agency or licensed as agent of the United States Department of Agriculture, authorize an applicant for inspection or a vendor of butter, cheese, or eggs previously inspected by an authorized inspector to issue certificates of quality of substantially the following form, which is hereby approved:

CERTIFICATE OF QUALITY

ISSUED BY AUTHORITY OF THE UNITED STATES DEPARTMENT OF AGRICULTURE

This is to certify that the churning of butter (vat of cheese or lot of eggs) from which the butter (cheese or eggs) contained in this package was taken was inspected by an official inspector of the United States Department of Agriculture and that the date of said inspection and number of the inspection certificate issued are perforated (or stamped) hereon and that the quality (class or grade) was () or higher.

(Name of firm or applicant)

SEC. 2. Authority to issue the certificates of quality provided for in the preceding section shall be given only to applicants for inspection or to vendors of butter, cheese, and eggs previously inspected who have made written application for the privilege and have declared their intentions and willingness to conform to the letter and spirit of these instructions and such other instructions as subsequently may be issued relating thereto, and who agree to provide the certificates of quality without cost to the Government, keep records of their use and furnish such information regarding their use as may be requested by the specialist in charge of the division of dairy and poultry products.

Rule 3

SECTION 1. As the purpose of certificates of quality is to evidence the fact that the product was inspected by an authorized inspector and that it was of the quality stated when inspected, their use shall be limited to such persons and firms as are applicants for inspection or vendors of butter, cheese, or eggs previously inspected and solely for such purposes as may be considered proper, ethical, and legal in merchandising the inspected products in a legitimate, legal, and ethical manner.

SEC. 2. Any applicant for inspection or other person who makes improper, unethical, deceptive, fraudulent, illegal, or unauthorized use of an inspection certificate, or a certificate of quality based thereon, may be denied further benefits or use of the official inspection service and the withdrawal of further privilege or authority to use certificates of quality or to use labels or seals which bear the stamp of the inspector or to the stamping of the class, grade, or quality on the packages by the inspector, and subjected to any other appropriate action.

SEC. 3. It shall be the duty of every authorized inspector of butter, cheese, and eggs to report to the specialist in charge of the division of dairy and poultry products, each and every instance of improper, incorrect, or unauthorized use made of any inspection certificate or any certificate of quality issued by an applicant or vendor and of any method of use or practice in connection therewith which might be considered improper, unethical, fraudulent, illegal, or unauthorized.

SEC. 4. Any inspector who fails to report to the specialist in charge of the division of dairy and poultry products instances of improper use of a certificate of quality by an applicant, his agent, or other representative, or by a vendor, his agent, or other representative, which he may observe or have brought to his attention shall be subject to discipline.

Rule 4

SECTION 1. Paragraph 1 of section 1 of regulation 5 of service and regulatory announcement No. 96, provides that "Inspections for class, quality, and/or condition shall be based upon such standards and grades and be made under such conditions and in accordance with such methods as may be prescribed, approved, or promulgated by the chief of bureau." Inspections of butter, cheese, and eggs for

class, quality, and/or condition shall be based upon the standards and grades prescribed in the following publications unless authority to use other standards and grades is given in writing.

Butter: Service and regulatory announcement No. 51 (Agricultural Economics) entitled "Rules and regulations for the inspection of butter . . ."

Cheese: Office of secretary circular No. 157 entitled "Handbook for the inspection of whole-milk American cheese . . ."

Eggs: Egg standardization leaflet No. 2 issued October 3, 1925, or subsequent revised issues of it or other publications subsequently issued as rules and regulations for the inspection of eggs.

Butter, cheese, and eggs shall be inspected only under such conditions as will permit a true and correct determination to be made of the class, quality, and/or condition of the product by the inspector. The methods used shall be those that are recommended or approved by the specialist in charge of the division of dairy and poultry products.



United States Department of Agriculture

Service and Regulatory Announcements, No. 97

(AGRICULTURAL ECONOMICS)

PROPOSED COOPERATION BETWEEN THE UNITED STATES DEPARTMENT OF AGRICUL- TURE AND HANDLERS OF FRESH FRUITS AND VEGETABLES

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PART I

OUTLINE OF PLAN FOR FEDERAL COOPERATION WITH THE FRESH-FRUITS AND VEGETABLE INDUSTRY

When the organized groups in the wholesale fruit and vegetable trade, immediately following the World War, undertook the formulation of definitions of trade terms and standard rules for the conduct of their business, the assistance and counsel of the United States Department of Agriculture were sought. The department, having no authority to enforce the observance of any such rules as were proposed, confined itself to the informal approval of the efforts of the trade.

When the present "Standard Rules and Definitions of Trade Terms for the Fruit and Vegetable Industry" finally appeared in printed form they represented the best thought of the trade and of those officers of the department best acquainted with the commercial phases of the industry. These standard rules and definitions, which were printed and distributed by various fruit and produce associations, have undergone only minor revision since they first appeared, and, in so far as they have been observed, they have contributed to the prompt and satisfactory conduct of business.

As a result of close contact with the industry, the department has recognized the growing belief in the trade that this department could render a further service by some form of active cooperation and bring about a further standardization and acceptance of desirable trade rules and practices. The standard rules and definitions of trade terms and methods of adjusting disputes and complaints now proposed for the consideration of the industry are set forth in the numbered paragraphs beginning on page 3.

The most important additions here made to the standard trading rules already adopted by the trade are as follows: First, in rule No. 27 it is provided that official grades shall be used to describe products to which they are applicable, unless they are sold under well-known brands based upon written specifications. The second important addition is in rule No. 29, which provides that disputes may be referred to the Secretary of Agriculture for arbitration if the parties to the controversy do not agree upon arbitration by any other method. The third important addition is covered by rules Nos. 30 and 31, which provide for investigation of grievances in connection with purchases and sales, including those made through commission merchants and brokers.

It is proposed that the department enter into a cooperative agreement with each individual shipper, dealer, broker, commission merchant, or other distributor who handles fresh fruits and vegetables in wholesale quantities. A copy of the proposed agreement appears on pages 11 and 12.

It is expected that an appropriate symbol will be adopted by the department for the use of those cooperators who wish their business stationery to show their connection with this movement, and that a registration number will be assigned to each cooperator.

The inclosed blank, for the use of those who receive this announcement, is to be filled out and mailed to the chief of the Bureau of Agricultural Economics, with any comments and suggestions as to desirable changes in the proposed standard trading rules.

After due consideration has been given to all suggested changes and amendments and the United States Department of Agriculture is ready to promulgate these standard trading rules in final form, a further announcement will be made, at which time the department will be in a position to enter into the cooperative agreement.

The department is not prepared to set a date when it will offer these cooperative agreements for signature, but will be guided in this matter by the number of favorable responses which are received.

The department hopes that it may not be necessary to maintain permanently an official arbitration board. The department is ready to handle a sufficient number of cases to demonstrate its idea as to the interpretation and application of these standard rules. Whenever a sufficient number of cases have been arbitrated to establish precedents for the guidance of other arbitrators in handling all classes of cases likely to arise, the department hopes that the industry may be able to set up its own machinery for the adjustment of such controversies, possibly through the appointment or permanent employment of a disinterested board.

It is believed that the Department of Agriculture can render the most direct aid to the industry by assisting in a demonstration of the practical application of these rules and the proposed methods of adjusting disputes and complaints.

The department is ready to begin this experiment and demonstration without waiting for the formal promulgation of these suggested rules or the signing of cooperative agreements, and hereby gives notice to the fresh fruit and vegetable industry that it is ready to arbitrate a limited number of controversies, which may be presented to it with both parties agreeing to the action and indicating their willingness to abide by the decision rendered.

PART II

PROPOSED STANDARD TRADING RULES

Including the Standardization of Trade Terms, Trade Practices, and Methods of Arbitration of Disputes in the Fresh Fruit and Vegetable Industry

PREAMBLE

Nothing in these rules shall be construed to limit the right of contract nor to preclude agreements or contracts containing terms of sale different from those herein provided.

Calendar dates should be used, wherever practicable, to specify when shipments must be made, will be made, or have been made.

Sundays and legal holidays shall not be included in computation of time in connection with these rules and definitions, except in "To-day's shipment."

Cross references, where shown, have been inserted solely for the convenience and assistance of users, and do not in any sense change the intent or terms of these rules.

DEFINITIONS, EXPLANATIONS, AND OBLIGATIONS OF PARTIES

No. 1. "To-day's shipment" means that the goods shall be under billing for movement scheduled by the transportation company on the day the communication using the term is dated.

No. 2. "To-morrow's shipment" means that the shipment shall be under billing for movement scheduled by the transportation company on the first day after the day the communication using the term is dated.

No. 3. "Immediate shipment" shall permit of 24 hours longer than "To-day's shipment."

No. 4. "Quick shipment" shall permit of 48 hours longer than "To-day's shipment."

No. 5. "Prompt shipment" shall permit of 72 hours longer than "To-day's shipment."

No. 6. "Shipment first or early part of week" means that goods shall move as provided in No. 1 on Monday or Tuesday of week specified.

No. 7. "Shipment middle of week" means that goods shall move as provided in No. 1 on Wednesday or Thursday of week specified.

No. 8. "Shipment last or latter part of week" means that goods shall move as provided in No. 1 on Friday or Saturday of the week specified.

No. 9. "Shipment as soon as possible or as soon as cars can be secured" means that shipper is uncertain as to when the shipment can be made, but expects to make it within a reasonable time and will make it as soon as possible. The buyer shall, at any time after 12 days from date the order is given, have the right to cancel the order or contract of sale, provided notice of his decision so to cancel shall have been received by the shipper before shipment has been made.

No. 10. "Future sales or purchases." Sales or purchases made for future shipment or delivery shall be under written contract, stating as near as practicable the date or dates of shipment, together with grades, terms, etc. (See No. 27.)

No. 11. "F. o. b. sales or quotations" means that the commodity quoted or sold is to be placed free on board the car, or at ship side at shipping point, in suitable shipping condition, and that the buyer assumes all risks of damage in transit not caused by the shipper even though the bill of lading is to the shipper or his order. The duty to procure cars shall be on the seller. (See Nos. 21, 22, and 24.)

No. 12. "Delivered sales or quotations" means that the commodity quoted or sold is to be delivered by the seller on board car, or on dock if delivered by boat, free of any and all charges for transportation or protective service, at the market in which the buyer is located, or at such other market as agreed upon, the seller assuming all risks of damage in transit not caused by buyer. (See Nos. 22 and 24.)

No. 13. "In transit or rolling car sales" means that the commodity quoted has been in possession of the transportation company and under movement from shipping point prior to the day on which the quotation is made, and that the car is moving over a route in direct line of haul between the point of origin and the market quoted. Every order for a sale of commodities so contracted shall relate back to the time of issuance of the bill of lading by the transportation company, and shall have the same force and effect in every respect as if given or made prior to the issuance of such bill of lading. If sold f. o. b. shipping point, the buyer assumes only the lowest authorized all-rail freight charges applicable between point of origin and the destination stated in the contract of purchase, together with car rental, refrigeration, and heater charges, if any; provided that the kind and extent of the protective service required by shipper's instructions to the carriers are specified in the contract. But the buyer shall not assume any demurrage, storage, detention, icing, or heating charges, or diversion or reconsigning charges, that would not have accrued had the car been originally shipped direct to the destination provided in the contract of purchase.

If the carrier fails to accomplish diversion when properly notified, and such notification is duly acknowledged by the carrier, the contract of sale shall become null and void unless otherwise specifically provided. Either party to the contract shall immediately notify the other of any knowledge or belief that carrier had failed to make the diversion.

The seller shall specify, when quoting or offering to sell, the date and place or district of shipment, type of car in which shipment was loaded, character and extent of protective service instructed, and, if possible, the approximate location of the car. (See Nos. 11 and 12.)

No. 14. "Tramp car sales" means that the commodity quoted has left the shipping point under a bill of lading issued prior to the day on which the quotation is made, and has moved or is moving

over a route out of line of haul with the market quoted. The rules applying to "In transit or rolling car sales" shall also apply to "Tramp car sales" except as to definition of the term. (See No. 13.)

No. 15. "Track sales." When a commodity is sold on track after arrival at destination, the buyer shall be considered to have waived any right to reject the commodity so purchased upon receipt by him, or his duly authorized representative, from the seller or his duly authorized representative, of the bill of lading, delivery order, or other document enabling him to get the goods from the carrier.

The foregoing shall not be construed as depriving the buyer of a right to reparation when the unloading of the car shall demonstrate that a material part of the lading which was not accessible to inspection was of a quality or condition actually and not merely technically inferior to that portion which was accessible to inspection; but any such claim for reparation must be made within 24 hours after receipt of delivery order or bill of lading. (See Nos. 26 and 27.)

(Note 15A.) To avoid delay, telegraphic orders to deliver cars sold on track should be sent to the carrier, and the buyer should be so advised by wire. Where a bank holds the bill of lading, the buyer should be notified that instructions have been sent to the bank.

(Note 15B.) When wiring an order to deliver a car sold on track, it is advisable to have the telegram repeated so as to be sure that it has been received and that there have been no errors in transmission.

No. 16. "C. A. F. sales" (cost and freight) are the same as f. o. b. sales, except that the selling price includes the correct freight charges to destination, tax, if any, included.

No. 17. "C. A. C. sales" (cost and charges) are the same as f. o. b. sales, except that the selling price includes the correct freight, icing, or heating charges to destination, tax, if any, included.

No. 18. "C. I. F. sales" (cost, insurance, and freight) are the same as f. o. b. sales, except that the selling price includes insurance and the correct freight charges to destination, tax, if any, included.

No. 19. "Delayed or deferred shipments and deliveries." Where, in a sale or contract of sale, the date for shipment or delivery is provided for either expressly or by means of the use of any of the terms herein defined, and it is impossible for reasons beyond the control of the seller to make shipment or delivery as agreed, the seller shall immediately advise the buyer by wire, stating the causes thereof and the earliest possible specific or approximate date on which shipment or delivery can be made, and the buyer thereupon shall immediately advise the seller by wire as to whether or not he still desires to have his order filled. This paragraph is not intended to deprive the buyer of any rights to damages which he may have.

(Note 19A.) In cases where, through error or misunderstanding, shipment may have been made at a date later than that contracted for, the buyer should, on receipt of knowledge, either by wire or mail, of such shipping date, immediately notify the seller by wire,

if the shipping date is unsatisfactory. It is obvious that failure to do so is a violation of good business ethics.

No. 20. "A quotation of price" given by the seller to the buyer is not an offer to sell, but only an invitation for an order or offer to buy, even though the party quoting actually owns or has the goods and makes the quotation in person. The sale or contract of sale is not completed until the seller or his authorized agent has accepted the order. After acceptance of an order neither party has the right to cancel without the consent of the other party.

(Note 20A.) To avoid misunderstandings, it is essential that the language used in quoting prices or making offers be unequivocal.

(1) When a seller desires to solicit orders by quoting prices, he should use the words "we quote."

(2) When he intends to make a definite offer to sell, he should use the words "we will sell."

(3) When quoting, selling, or buying, the words "standard terms" should be included in the wire to indicate that the transaction is subject to these standard trading rules.

(Note 20B.) It is unnecessary, when quoting prices, as distinguished from offering to sell, to give notice that "all quotations are subject to changes in market price and to the goods being unsold on receipt of order" or "subject to confirmation," but the practice is recommended because it helps to make clear to prospective buyers that the quotations are not offers to sell but only invitations for offers to buy.

(Note 20C.) It should be borne in mind at all times that if the party to whom an offer is made does not accept it exactly as made to him there is no contract and his modified acceptance amounts only to a counter offer.

It should also be borne in mind that to complete a contract a definite offer to buy or sell must be accepted within a reasonable time.

No. 21. "Protective service." In shipping perishable commodities, where the contract is not specific as to protective service, the buyer shall be consulted, and if he remains silent the shipper shall be governed by the exigencies of the weather and temperature conditions, and, further, shall issue such instructions to the carrier as will provide the requisite protection. The buyer shall not, in such case, dispute the wisdom or necessity for such protective measures or the attendant charges therefor.

No. 22. "Minimum and maximum loading." Under these definitions, quotations and sales involving movement in carlots, and when quantity is not specified, shall be based upon a minimum as to quantity of carrier's tariff minimum requirements and a maximum not exceeding 20 per cent over said tariff minimum.

No. 23. "Contract of sales." Whenever practicable, every contract of sale shall be in writing setting forth specifically all the terms and conditions of sale and signed by the buyer and seller or their duly authorized agents or brokers. (See No. 27.)

Whenever sales are made through an established broker, the broker shall issue a sales ticket in duplicate signed by himself as broker and giving the buyer's and seller's names and addresses and the terms and conditions of sale. A copy of the sales ticket shall be transmitted without delay to both buyer and seller.

No. 24. "Seller's nonfulfillment of contract." Shipper shall not ship or deliver goods which are not in accordance with the contract of sale. If he is unable to fulfill his contract he shall notify the buyer giving the reasons therefor, and if such failure to fulfill is due to causes beyond his control as recognized by law, the contract shall automatically be canceled; but seller shall propose such substitution as he may have to offer. The buyer shall have his option as to accepting the substitution, which option shall be promptly exercised. In the event of acceptance a new contract is thereby created. (See No. 27.)

No. 25. "Arrival at destination." A shipment shall be deemed to have reached destination when placed by the railroad on its recognized produce team track, or on private unloading track at destination, in accordance with billed delivery (if any), or where awaiting consignee's order for placement. The burden of locating a shipment on arrival shall be on the consignee, provided the consignor has billed the shipment with proper instructions to the railroad relative to notifying the consignee. The failure of the railroad to notify the consignee shall not release the consignee from his obligations to the consignor, provided proper advice as to the shipment, including routing, car number, and initials of the car in which the shipment was originally made, has been given to the consignee by the consignor.

NOTE.—The term "consignee" as here used shall be construed to include the "notify" or "advise" party, in the case of shipments billed to order of the consignor or billed to the shipper.

INSPECTION AND DESCRIPTION OF PRODUCTS AND SETTLEMENT OF CONTROVERSIES

No. 26. "Complaints and adjustments." When the commodity shipped is below contract, the buyer shall promptly, according to the perishability of the commodity, but in every case within 24 hours after the shipment has been placed where inspection is practicable, notify the seller (by wire where possible), or the seller's local representative, of refusal to accept the shipment, or, in like manner, shall submit to the seller or his local representative a counter offer. If the counter offer is accepted, the new contract shall supersede all preceding contracts. If the counter offer is not accepted and the car is rejected outright, the buyer is entitled to such damages against the seller for failure to perform his contract as the facts may warrant.

In the case of rejection or a counter offer, it is the duty of the buyer to obtain official inspection if possible. If such official inspection is not possible, the buyer shall furnish the seller with such other records and testimony as will serve to substantiate the buyer's action.

Except as may be required for the proper inspection of the lading at the car, the removal of goods from the car by consignee shall constitute acceptance. In the event that false or fraudulent loading or packing shall develop during the process of unloading, the buyer shall immediately notify (by wire if possible) the seller or his agent. Acceptance of goods under such conditions shall not serve as a bar to recovery under such breach of contract.

The buyer shall not unjustifiably reject fresh fruits or vegetables. Delay in transit shall not of itself justify rejection unless specific delivery date has been contracted for.

No. 27. "Official grade terms." The commodity offered or sold shall be stated in terms of the official grades of a State or of the United States whenever these grades will reasonably describe the product, or under established or known private brands based on written specifications or under other specific grade and quality descriptions.

No. 28. "Arbitration." The following methods of arbitration are not to be deemed exclusive, but the parties in interest may arbitrate in any other way that may be mutually agreed upon: When a buyer and a seller, either one or both of whom have entered into an agreement with the Secretary of Agriculture to abide by these rules, are unable to agree on an adjustment of a claim based on an interpretation of the terms of sale or purchase of perishable commodities, or as to the condition, quality, or grade of such commodity or commodities, the party who has entered into the agreement with the Secretary or either one of them when both are parties to the agreement, may propose to arbitrate their differences before any national trade association of which either one or both are members, under the arbitration rules of such association, or before a regular recognized and established credit and rating agency providing such service, and under its arbitration rules or before the Secretary of Agriculture.

If the proposal to arbitrate is acceptable to both parties, they shall enter into a written mutual agreement to arbitrate their difference before the agency selected and to abide by the final arbitration award when the arbitration is conducted as provided by the rules of the agency selected.

When the principals in the controversy can not agree between themselves as to a method of arbitration, or in the event the national trade association or regular recognized and established credit and rating agency is unwilling or finds it impossible to accept the case for arbitration, then the matter may be referred by mutual agreement of the parties to the Secretary of Agriculture for arbitration and handled in accordance with the rules provided by him for such purposes.

No. 29. "Arbitration by the Secretary of Agriculture or departmental board." The Secretary of Agriculture shall select seven or more persons and make public their names, any three of whom may act in any case submitted, or the contestants may, if they so desire, designate one person of the group named by the Secretary to act as sole arbitrator. When one person is selected it shall be mutually agreed to in a writing signed by both parties to the arbitration.

Either party to the controversy may object to any one member of the board when more than one person is named to hear the case, in which event such member or members shall be ineligible to serve on that case.

The parties to the controversy shall submit their case complete and in writing accompanied by the necessary documentary evidence to support their contention. However, the arbitrators acting under

the authority of the Secretary of Agriculture reserve the right to call for documents or information and may examine witnesses or take depositions or demand affidavits if such course be deemed necessary to a proper determination of the question at issue. Arbitrators shall submit their findings promptly and in form suitable for subsequent use in court, if necessary.

An appeal may be taken from the arbitrator or board within the Department of Agriculture, which first acts on any case, to the Secretary of Agriculture or to such board of appeal or review as he may name, decision of which shall be final, except as an appeal may be taken to a court of competent jurisdiction. The Secretary of Agriculture will not entertain appeals from the decision of any arbitration board of any national trade association or regular, recognized, and established credit and rating agency upon which the parties to the controversy may have first agreed. If both parties desire to reopen such a case before the Secretary of Agriculture, they shall mutually agree in a signed writing to that effect, then the matter shall be presented in accordance with the rules established by the Secretary and as a new case, and the findings of the previous arbitrators shall not be submitted as a part thereof.

No. 30. "Investigation of grievances in connection with purchases and sales." Upon properly supported complaint to the Department of Agriculture by one cooperating dealer against another (or by a person or organization not eligible to registration as a cooperating dealer under these rules) for failure to comply with the provisions of this announcement involving the purchase or sale of goods, or alleging any dishonesty in connection with such purchase or sale, the Department of Agriculture may exercise the right to inspect such records as may be material for the purpose of determining the propriety of continuing its cooperative agreement with the party complained of. As the result of such investigation the department may, after notice and opportunity for further hearing, reprimand the offending party or terminate its agreement with him, provided that before public notice of any such action is given the offending party shall have the right of appeal to the Director of Regulatory Work.

No. 31. "Investigation of grievances in connection with purchases and sales on commission or through brokers." The Department of Agriculture, on a properly supported complaint by person directly interested in the sale or purchase of fresh fruits and vegetables on commission or through a broker against the honesty or integrity of such commission merchant, broker, or other agent negotiating such sales or purchases, and upon notice to such party and of opportunity to be heard, will investigate such complaint if the person complained of has entered into a cooperative agreement with the department to be bound by the provisions of this announcement, and if any dishonesty and lack of integrity shall be clearly found on the part of such commission merchant, broker, or other agent, the department may reprimand such cooperator, may suggest the reparation or restitution which he should make, and shall notify him if it proposes to terminate its agreement with him or to publish its decision or any part of its findings. The cooperator shall then

have the right of appeal to the Director of Regulatory Work before any such publication is made.

No. 32. "Charges." There shall be a minimum charge of \$15 for arbitration under the authority of the Secretary of Agriculture, with a general maximum charge of \$25 to be paid by the party adjudged to be at fault or apportioned to the parties to the controversy as the arbitrator or board may deem equitable. The department reserves the right to make a higher charge, on notice to the principals and after giving them an opportunity to withdraw the case, if upon examination it appears that for any reason the case will require unusual time, labor, or expense on the part of the department.

PART III

PROPOSED MEMORANDUM OF AGREEMENT

THIS AGREEMENT IS BINDING BETWEEN THE SECRETARY OF AGRICULTURE OF THE UNITED STATES, HEREIN CALLED THE SECRETARY, AND THE UNDERSIGNED DEALER IN, OR SHIPPER, DISTRIBUTOR, OR HANDLER OF FRESH FRUITS AND VEGETABLES, HEREIN CALLED THE COOPERATOR.

NAME OF PROJECT

Standardization of trade terms, trade practices, and methods of adjustment.

DATE EFFECTIVE

When countersigned by an authorized officer of the Bureau of Agricultural Economics.

OBJECT

To extend the principles of standardization to (a) the trade terms used in the fresh fruit and vegetable industry, (b) the practices incident to ordinary transactions therein, and (c) methods of adjusting complaints, disputes, and claims.

OBLIGATION OF COOPERATOR

The cooperator agrees to be governed by the standard trading rules set forth in Service and Regulatory Announcements No. 97 (Agricultural Economics) of the United States Department of Agriculture, herein called the department; to keep such books and records as will show that he has conformed to them in the conduct of his business; and to allow any authorized representative of the Secretary to inspect such records as may be material for passing upon the merits of complaints made in accordance with rules Nos. 30 and 31 of Service and Regulatory Announcements No. 97 (Agricultural Economics).

He further agrees that in any case of arbitration by one of the methods specified in Service and Regulatory Announcements No. 97, or by any other method of arbitration agreed to by the parties in interest, he will settle any such disagreement, claim, or controversy in accordance with the result of such arbitration, subject, however, to such legal defenses as may be provided by law.

OBLIGATION OF SECRETARY OF AGRICULTURE

The Secretary agrees to provide for arbitration and adjustment of any controversy or claim arising under any of the provisions of Service and Regulatory Announcements No. 97. (Agricultural Economics).

The Secretary will also make public from time to time the names and addresses of persons and organizations who have signed this agreement and will give to each such person or organization a number or designation indicating that he is cooperating with the department in the conduct of his business.

The Secretary will indicate what words or symbols may be used on the business stationery of cooperating parties to indicate their membership in this project.

TERMINATION OF AGREEMENT

The Secretary reserves the right to cancel this agreement on 10 days' notice if it is found, upon investigation, that the cooperator has violated any of the provisions of this agreement, or has failed to make a satisfactory settlement of any claim, dispute, or complaint which has been passed upon by the department or by any of the agencies for arbitration provided in Service and Regulatory Announcements No. 97, or which has been arbitrated in any other way by mutual agreement, subject, however, to such legal defenses as may be provided by law. The department will from time to time publish the names of those whose agreements have been canceled for cause, with the reasons for its action in each case.

The cooperator may terminate this agreement on written notice to the Secretary, but shall settle, in accordance with this agreement, any controversy, complaint, or dispute which may arise concerning any transaction occurring prior to the hour of the receipt of such notice by the Secretary.

Date signed: _____, 192—.

(Signature of cooperator)

Address of cooperator: _____

W M Jansine

Secretary of Agriculture.

Countersigned:

(Signature)

Bureau of Agricultural Economics.

Date countersigned: _____, 192—.

TO BE FILLED IN BY COOPERATOR

Cooperator is engaged in the business of _____

This Memorandum of Agreement, signed in duplicate by the cooperator, should be mailed to the Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C. One countersigned copy will be returned to the cooperator.